

1. TERRITORIES AND POSSESSIONS

Inasmuch as the Bureau of the Budget has already disallowed our previous proposals concerning the provisions of benefits to employees in Territories and possessions equal to those provided for those in foreign areas, it is recommended that no further proposals of this nature be submitted at the present time. It is suggested, as an alternative, that the Legislative Counsel's recommendation for exploratory discussions with the Bureau of the Budget be followed in order to determine more positively the Administration's views, disposition and planning toward the subject.

2. ALLOWANCES

The Administration's bills S. 4186 and H.R. 12194, similarly cited as the "Foreign Areas Allowances Act of 1956" particularly H.R. 12194, include several sections which are discussed below of particular interest to the Agency. It is recommended that the Agency lend its support to this legislation if resubmitted and consider the inclusion of like provisions in our own proposed legislation.

- a. Section 111(4), H.R. 12194, includes the Trust Territory of the Pacific Islands in the definition of "Foreign Areas". This provision would make possible the payment of allowances as a routine matter rather than as an exception to current regulations. This would be of distinct advantage to the Agency and merits support.
- b. The enactment or adoption of Section 211(1), H.R. 12194, is recommended. This section provides for a temporary lodging allowance for the period immediately preceding final departure from a post. The period would have to follow the necessary evacuation of residence quarters and would be limited for a period not to exceed one month and would be permitted only in the instance when expenditures for temporary quarters are, in fact, incurred.

- c. It is also recommended that we adopt or support Section 211(3), H.R. 12194, which would assist Agency employees, who at certain posts, must incur expenditures to make their leased quarters liveable. Payments or reimbursement in such instances would be for extraordinary and reasonable expenses incurred in initial repairs, alterations and improvements to an employee's privately leased residence at a post of assignment in a foreign area.
- d. In regard to Section 221(4)(B), H.R. 12194, the law presently provides the strict limitation that if a travel grant is authorized for secondary education, a subsequent education allowance for the child at the secondary level cannot be authorized. Subject provision is recommended for Agency support inasmuch as it would effect a liberalization of the law by stipulating that an education allowance shall not be granted for a dependant during the same school year in which transportation for secondary education is authorized.

3. MEDICAL BENEFITS

- a. Our proposed legislation on the subject of medical benefits for "dependents" as set forth in S. 3851, The bill to Amend "The Central Intelligence Agency Act of 1949", is identical in substance to the benefits recently obtained by State through the enactment of P.L. 828, The Foreign Service Act Amendment of 1956. Our proposal is broader in that U.S. citizenship is not a prerequisite. From an editorial standpoint, it is recommended that upon resubmission, the language of Section 5(2)(B) of our bill conform more strictly with that of Section 13(b) of P.L. 828.
- b. It is noted that we have requested in Section 5(4)(1) of our bill authority to pay travel expenses for medical services for the "~~member~~ of an employee's family", whereas authority for the payment of hospital expenses is confined to "~~dependants~~ of an employee or officer". It is presumed, therefore, that

travel expenses incident to an illness or injury could be expended for a person normally and habitually residing with an employee despite the fact that person might not be wholly or partially dependent on the employee. To avoid this extremely broad application, it will be necessary for the Agency to define the term "members of a family". We think, however, the word "dependent" might more appropriately be utilized in Section 5(d)(1) of our bill, and if necessary, we could define "dependent" for the purpose of these sections. This definition could, if desirable, be broadened to include a son or daughter over 21 remaining dependent upon the parent. We would, of course, have to spell out any persons not normally considered a "dependent" under general Government usage.

- c. It is recommended that we include another provision in our proposed legislation on this subject, i.e., a provision similar to Section 13(e) of P.L. 828 which would read:

"After sufficient experience in the operation of the medical protection plan authorized in subsections 5(2)(A) and 5(2)(B) of this section has been obtained, as determined by the Director, and if he considers that the benefits so authorized can be provided for as well and as cheaply in other ways, the Director may, under such regulations, and for such persons, locations, and conditions as he may deem appropriate, and within the limits prescribed in such subsections, contract for medical care pursuant to such arrangements, insurance, medical service, or health plans as he may deem appropriate."

- d. It is suggested that these medical benefits be applicable to persons PCS and IDI overseas. The Legislative Counsel may want to consider the inclusion of appropriate modifying language to clarify this position.

- c. We strongly recommend the resubmission of these legislative proposals rather than the adoption of H.R. 12193, the Administration proposal for an "Overseas Health and Medical Services Act", for the reasons heretofore made known to the Bureau of the Budget in the letter of the Legislative Counsel, dated 14 June 1956.

4. MISSING PERSONS ACT

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It is our understanding that an agreement has been reached by the Agency that [redacted] in this field of legislation. In view of the fact that [redacted] has agreed to our recommendation that "dependents" be covered thereby, no further efforts in this field by the Agency are recommended, and we should support this Government-wide legislation.

5. DEATH GRATUITY

In view of the strong feeling of the Bureau of the Budget against this proposal, we recommend that the matter be dropped. Pressing of this item could well jeopardize this over-all legislative program.

6. RETIRED MILITARY OFFICERS

Despite the evidence of Committee hostility to the proposal that we be authorized to employ 35 retired military officers rather than the present maximum of 15, we believe the Agency should resubmit this legislative proposal. Our prior justification to the Bureau of the Budget would still stand.

7. RETIREMENT

In view of the Budget clearance of USIA legislative proposals and an indication from it that there is a "Government-wide" proposal in this matter, it is suggested that it would be most worthwhile to explore with the Bureau of the Budget clearance of our previous proposal containing the acceleration clause for overseas service. Admiral Conolly, member of the President's Board of Foreign Intelligence consultants, indicated a strong interest in an acceleration feature for retirement.

8. HOME LEAVE

Section 5(e)(1) of our bill, S. 3851, embodying this item is a "must" for resubmission. The attention of the Legislative Council is invited to the proposed reenactment of that provision appearing in Section 5(e)(2) of S. 3851 which relates to the non-availability of services of an employee on home leave for duties except as specifically provided for. It is suggested that this "non-availability" applies to persons not only in the "continental United States" but to those on home leave in the Territories and possessions. The insertion of these geographical locations is recommended. Unless there be some tactical reason for the reenactment of this provision, we question the necessity or appropriateness of this subject matter as a legislative enactment.

9. CIVILIAN SPECIALIST RESERVE

It is considered appropriate at this time to mention a probable requirement for future legislation to render a Civilian Specialist Reserve invulnerable to manpower freezes in the event of a national emergency along the lines already established for the National Defense Executive Reserve. This problem has been brought to the attention of the Office of Defense Mobilization and the Civil Service Commission and both have expressed interest. It would be premature to request legislation now, but a year of experimenting with a pilot program may indicate a necessity.